PERFORMANCE AUDIT OF DEPARTMENT OF NATURAL RESOURCES WILDFIRE SUPPRESSION PROGRAM

PROPOSED SCOPE AND OBJECTIVES

June 16, 2004



STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

STUDY TEAM

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Why A Performance Audit of Wildland Fire Suppression?

In its 2004 Supplemental Operating Budget, the Legislature provided the Department of Natural Resources (DNR) with a \$23.5 million state general-fund supplemental appropriation for the costs of fighting wildland fires for the 12 months of fiscal year 2004. It also provided \$150,000 to JLARC to "evaluate the full range of causes for such large increases in fire suppression costs."

Wildfires

Legislatures across the western United States are becoming increasingly alarmed at the damage caused by wildfires and the cost of fighting them. While there is an emerging consensus on why wildfires are causing more damage than in the past—weather, forest health, and more people living in or near wildlands—there is less agreement on what we can do to reduce fire risk and cost. Although most of the approximately 900 Washington wildfires in FY2004 remained small, major fires can cost local, state, and federal governments tens of millions of dollars to control. The 19 major fires of the 2003 fire season (map on following page) cost DNR almost \$19 million to control, with an estimated cost to all parties of \$114 million.

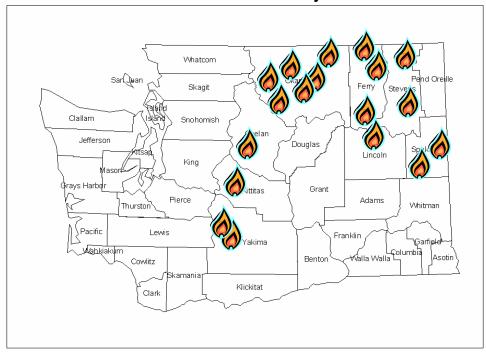
Study Scope

As directed, JLARC will focus this study on wildfire suppression costs. We will analyze DNR's compliance with legislative policies setting fire suppression priorities and DNR's policies and procedures for fighting fires. We will also review the roles of local, state, and federal organizations in fighting fires and how costs are allocated among these organizations.

State Auditor's Role

The 2004 Legislature also appropriated \$100,000 to the State Auditor's Office (SAO) to review DNR's fire suppression costs. SAO will analyze payroll documents and invoices to determine if controls are in place to ensure that only appropriate costs are charged to the emergency fire suppression budget. SAO is directed to coordinate its study with JLARC's performance audit. JLARC in turn is directed to include SAO's findings and recommendations related to costs in our performance audit.

Fire Season 2003 Major Fires



STUDY OBJECTIVES

As directed in the 2004 Supplemental Operating Budget, JLARC's audit will include:

- (1) A review of how current fire suppression practices comply with the policies and intent of Chapter 76.04 RCW—Forest Protection.
- (2) An examination of the factors contributing to recent wildfire suppression cost increases, including:
 - The use of high-cost equipment and services;
 - Changes in the level of reimbursement for contractors and employees;
 - Changes in the use of permanent agency employees for fire suppression compared to the use of temporary employees, inmate labor, and contractors; and
 - Changes in other significant costs.
- (3) An analysis of the responsibilities of various state agencies, local fire districts, and federal agencies and the allocation of costs among agencies.
- (4) An analysis of how DNR determines the proportion of fire suppression costs charged to private parties and the Landowner Forest Fire Contingency Account.
- (5) Inclusion of any findings and recommendations from the State Auditor's Office related to fire suppression costs.

TIMEFRAME FOR THE STUDY

JLARC's final report is due by June 30, 2005.

JLARC STAFF CONTACT FOR THE STUDY

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